

## Message Text

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DRAFTED BY: EB: NPAZDRAL:EMM

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R 180144Z SEP 75

FM SECSTATE WASHDC

TO USMISSION OECD PARIS

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FOR ASSISTANT SECRETARY ENDERS

FOLLOWING REPEAT LIMA 07670 ACTION SECSTATE 16 SEP 75

QUOTE

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EO 11652: N/A

TAGS: ENRG, GEN, EINV, PFOR, PE

SUBJECT: OIL DEVELOPMENT IN PERU

REF: LIMA 4155, LIMA 5962

1. ON SEPTEMBER 15, PETROPERU'S OPERATIONS AND PIPELINE MANAGERS APPEARED ON TELEVISION TO DISCUSS PETROLEUM EXPLORATION IN THE JUNGLE AND THE TRANS-ANDEAN PIPELINE. THEY SAID THAT PERU CURRENTLY SPENDS \$600,000 PER DAY TO IMPORT 50,000 BARRELS ON PETROLEUM. WITH THE COMPLETION OF THE TRANS-ANDEAN PIPELINE IN THE MIDDLE OF 1976, PETROLEUM IMPORTS WILL DECLINE RAPIDLY. THE PIPELINE WILL NOT ONLY SUPPLY PERU'S DOMESTIC NEEDS, BUT WILL ALSO PERMIT IT TO EXPORT PETROLEUM TO JAPAN, PACIFIC COAST CITIES OF THE U.S., AND OTHER LATIN AMERICAN NATIONS, SPECIALLY WHEN THE OCCIDENTAL FEEDER LINE IS FINISHED. MANWHILE, PERU WILL CONTINUE TO

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EXPORT 4,000 BARRELS PER DAY TO BRAZIL.

2. THEY STATED THAT PROVEN RESERVES IN THE PERUVIAN JUNGLE TOTAL 546 MILLION BARRELS. TWENTY-FIVE MILLION OF THE 55 MILLION HECTARES IN THE JUNGEL WHICH SHOW SIGNS OF CONTAINING PETROLEUM ARE CURRENTLY UNDER EXPLORATION.

3. THE TWO MANAGERS ALSO COMMENTED THAT IN A "VIRGEN" AREA SUCH AS THE PERUVIAN JUNGLE, IT IS NOT POSSIBLE FOR ALL FOREIGN COMPANIES TO BE SUCCESSFUL IN THEIR EXPLORATION. TWO OF THE SIXTEEN COMPANIES HAVE TERMINATED THEIR ACTIVITIES.

4. COMMENT: THE REMARKS OF THESE PETROPERU MANAGERS ARE INTERESTING IN THAT IT IS THE FIRST OFFICIAL ADMISSION THAT PEROPERU MIGHT HAVE ONLY ENOUGH OIL TO SATISFY THE CURRENT LEVELS OF DOMESTIC DEMAND AND THAT ANY EXPORT OF PETROLEUM WILL DEPEND ON THE CONSTRUCTION OF THE OCCIDENTAL FEEDER LINE. THE 546 MILLION BARREL RESERVE FIGURE IS LESS THAN THE 800 MILLION BARREL ESTIMATE GIVEN US IN MAY BY VICE MINISTER OF ENERGY AND MINES (LIMA 4155), BUT IS MORE THAN THE 200 MILLION OCCIDENTAL ESTIMATE OF JULY (LIMA 5962) PLUS OUR ESTIMATE OF 100-200 MILLION BARRELS FOR PETROPERU. THE PERTOPERU MANAGERS SEEMED TO PUT MORE EMPHASIS ON THE PROMPT SATISFACTION OF DOMESTIC NEEDS AND LESS EMPHASIS ON PERU'S OIL EXPORT POTENTIAL.  
DEAN

UNQUOTE. KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Draft Date:** 18 SEP 1975  
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**Disposition Date:** 28 MAY 2004  
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